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CONTACT: John Kartch
Patrick Gleason
202-785-0266

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ATR Opposes Colorado Amendment 58 *Severance Tax Hike Would Increase State's Cost of Living*

WASHINGTON D.C. – Today Americans for Tax Reform, a non-profit taxpayer advocacy organization that opposes all tax increases as a matter of principle, officially announced its opposition to the Colorado initiative that will appear on the November ballot as Amendment 58. Amendment 58, if approved, would raise severance taxes paid by energy companies operating in Colorado.

Under current law, energy companies are permitted to deduct 87.5 percent of state property taxes from their state severance tax bill. Amendment 58 would eliminate this long-standing deduction, effectively raising taxes on a key industry by over \$300 million annually.

“If passed, Centennial State residents will face higher utility bills and a higher cost of living in general. Make no mistake, the burden of this tax hike will be born by all Colorado residents and reduce jobs,” said Grover Norquist, president of Americans for Tax Reform. “‘58’ imposes a highly punitive tax increase on a major source of jobs in Colorado. What’s worse, it would adversely impact workers and retirees, most of whom have a stake in energy companies through a 401K, mutual fund, or other investment vehicle.”

Major proponents of Amendment 58 include Gov. Bill Ritter, environmental groups, and unions. Proceeds from the tax hike would be redistributed to projects such as wildlife habitat protection, alternative energy projects, and college scholarships.

“Demonization of energy companies has become a troubling fad amongst coercive utopians and tax revenue dependent special interests,” added Norquist. “Gov. Ritter and other proponents of ‘58’ view energy companies as an ATM to raid for their own special interests. Targeting a single industry to shoulder all costs for a laundry list of spending projects is simply bad policy. Doing so will send a clear message to employers everywhere that Colorado not a place invest and create jobs.”

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org